

VZCZCXYZ0003
PP RUEHWEB

DE RUEHBO #2800/01 2141620
ZNR UUUUU ZZH (CCY ADBFD2EE MSI9645-695)
P 011620Z AUG 08 ZDS
FM AMEMBASSY BOGOTA
TO RUEHC/SECSTATE WASHDC PRIORITY 3948
INFO RUEHBR/AMEMBASSY BRASILIA 8295
RUEHCV/AMEMBASSY CARACAS 0776
RUEHZP/AMEMBASSY PANAMA 2092
RUEHPE/AMEMBASSY LIMA 6414
RUEHQT/AMEMBASSY QUITO 7108

UNCLAS BOGOTA 002800

SIPDIS
SENSITIVE

C O R R E C T E D C O P Y ADDED SENSITIVE

E.O. 12958: N/A

TAGS: [EAID](#) [PGOV](#) [EAGR](#) [PTER](#) [SNAR](#) [CO](#)

SUBJECT: SCENESETTER FOR VISIT OF DIRECTOR OF FOREIGN ASSISTANCE
AND USAID ADMINISTRATOR HENRIETTA FORE - AUGUST 5-6, 2008

¶1. (SBU) Summary: Fostered by targeted U.S. assistance, Colombia finds itself safer, economically stronger, better governed, and more democratic than it has been in decades. Rates of murder, kidnapping, and violence nationwide, particularly against union members, have fallen dramatically. Increased security has led to an economic boom that has reduced poverty by 20 percent since 2002, lowered unemployment by 25 percent, and attracted record levels of investment. Almost 48,000 combatants, mostly paramilitaries, have laid down their arms and are participating in GOC reintegration programs. The captures or kills of key leaders of the Revolutionary Armed Forces of Colombia (FARC), the July 2 rescue of 15 hostages held by the FARC including three Americans, and rising desertions have weakened Colombia's largest terrorist group. Consolidating recent gains and making further advances on human rights, security, and poverty reduction, while also managing tense relations with Venezuela and Ecuador, represent the greatest challenges for the remaining two years of the Uribe Administration.

¶2. (U) The Government of Colombia is one of our strongest strategic partners in the world, evidenced by the GOC's commitments to complement and facilitate USG security, counter-narcotics operations, and social and economic development efforts throughout the country. Its economic growth potential complements the nature of our trade relationship with Colombia, evidenced by the strong support for the U.S.-Colombia Trade Promotion Act (CTPA). Our continued commitment to Colombia will help to further consolidate recent security and governance gains as well as to promote Colombia's economic growth and promote regional stability. End summary.

U.S. Assistance

¶3. (SBU) Since 1999 under Plan Colombia, the USG has provided more than USD 5.5 billion in assistance, including USD 950 million in economic and social assistance. USG security assistance combats drug trafficking and terrorism through training, equipment, and technical assistance. It supports Colombian military aviation, essential for all programs - civilian or military - outside Colombia's major cities. USG social and economic aid, roughly 40% of the FY 08 USG contribution under Plan Colombia, focuses on alternative development, displaced and other vulnerable communities, human rights and democratic institutions, and reintegration of demobilized fighters.

¶4. (SBU) In January 2007 the GOC presented a Plan Colombia "consolidation strategy" pledging a Colombian investment of USD 78 billion through 2013. The proposal emphasizes the importance of building social cohesion, and allocates substantial resources to help strengthen local governance, protect human rights, and assist displaced people, Afro-Colombians, and indigenous communities. It

also aims to reintegrate more than 48,000 demobilized ex-fighters and deserters and to promote Colombia's licit exports. The GOC seeks funding from the United States and European countries to complement its own resources.

¶15. (U) Congress increased economic and social assistance from USD 140 million in FY 07 to USD 215 million in FY 08, while security assistance was reduced in FY 08. With additional resources, USAID is launching a new biodiversity program, increasing its assistance for victims of the conflict, enlarging its support to Afro-Colombians and indigenous communities and significantly expanding its assistance to the GOC in its effort to consolidate Colombia's conflict zones that were formerly controlled by armed groups. Food aid assistance is also increasing from USD 6 million per year to USD 10 million in FY 08 through USAID'S Food for Peace support to the World Food Program.

Government of Colombia a True Partner

¶16. (U) (S) Development. The joint efforts under Plan Colombia exemplify that cooperation as proven by GOC funding during the past year of over USD 12 million into USAID contracts on joint initiatives. All aspects of the USG's assistance program in Colombia, designed and implemented with the GOC counterparts, seek gradual "Colombianization", or nationalization, of the programs as a mutually agreed objective of both governments. We hold recurring meetings with counterparts to track the progress of their initiatives, the results of which are passed to and commented on by President Uribe.

¶17. (SBU) We are providing substantial planning assistance and social and economic development aid to support the GOC's post-conflict consolidation efforts throughout the country and most recently in the Department of Meta. The result of that assistance is a new model for "clearing and holding" territories that have been under the control or influence of illegally armed groups for decades. Under the GOC's leadership, the approach integrates security and military operations and illicit crop eradication with immediate social and economic assistance and government services. The GOC plans to expand this approach nationwide.

¶18. (U) In 2007, a USAID investment of USD 130 million leveraged an additional USD 1 billion in resources from the GOC and the private sector. One of the most successful leveraging efforts in the world, it remains a key component of U.S. development assistance to Colombia. Further policy reforms and consolidation efforts will increase this figure further in the coming years.

Drug Eradication and Interdiction

¶19. (SBU) Eradication of coca and poppy crops and interdiction of cocaine and heroin reached near-record levels in 2007. President Uribe supports greater manual eradication, but recognizes that continued aerial eradication will key success. He seeks a complementary approach using both methods. In 2008, the national police and military forces have set a brisk pace for cocaine, coca base and marijuana seizures, and are over half way to record-level seizure totals. We continue to work with the GOC to maximize our scarce resources to achieve the eradication and interdiction targets. We continue our productive dialogue on how best to transfer key tasks from the USG to the GOC.

Trade and Investment Key to Poverty Alleviation and Security

¶10. (U) President Uribe's democratic security policy and free market economic reforms have spurred the economy. GDP growth reached 8.2 percent in 2007 after averaging more than five percent annually since 2003. The economy, decelerating this year, shows recent growth slowing to just over four percent. Colombia's trade volume grew more than 65 percent in the same period. The United States remains Colombia's largest trade partner (approximately 37 percent) and they conclude in 2009. In 2007, the

United States exported some USD 1.2 billion in agricultural products to Colombia. Nearly 93 percent of Colombia's exports already receive duty-free access to the U.S. under the Andean Trade Preferences Act (ATPA), which expires December 31, 2008, while U.S. exports to Colombia face an average tariff of 12 percent. Investors from around the world have boosted investment in Colombia in anticipation of the CTPA. In 2007, Foreign Direct Investment (FDI) exceeded USD 7.5 billion, 350 percent greater than FDI in 2002.

¶11. (SBU) The Colombian Congress ratified the CTPA in 2007 by a substantial margin, and it remains the GOC's highest economic priority. U.S. rejection of the accord would deal a political and economic blow to Uribe and his policy of strengthened ties with the United States. Venezuela is Colombia's second largest trade partner; but the political and economic relationship has been bumpy, and Venezuela has tightened its import regime and blocking some Colombian exports such as automobiles and clothing.

¶12. (U) Analysts estimate the CTPA would add between one and two percent annual GDP growth to the local Colombian economy. This growth would add the new jobs in the formal sector that President Uribe needs to meet his goal of cutting the poverty rate from 45 percent to 35 percent by 2010. Trade-based formal sector growth will also provide the GOC with additional fiscal resources to shoulder a larger portion of its security costs as USG Plan Colombia support falls.

¶13. (U) Colombia's robust private sector is the backbone of the country's economic development. Its investment in initiatives associated with the USG's assistance programs results in high rates of leveraging, an example of which is found in USAID's alternative development program that mobilizes an average of USD 5 of Colombian investment for every USD 1 of USG funds.

Support to Afro-Colombian and Indigenous Communities

¶14. (U) A congressional soft earmark was listed in FY08 legislation directing USAID to implement USD 15 million in economic development activities in Afro-Colombian and indigenous communities. In order to effectively respond to both rural and urban Afro-Colombian and indigenous communities, two different approaches will be integrated. In urban areas, USAID will help to create "growth poles" to link economic development and basic services around larger urban centers. In rural areas, community consultations will identify economic development projects in targeted clusters, creating market linkages, and local capacity building to enable communities to respond to changing market conditions.

¶15. (U) On May 19, the GOC launched the Inter-sectoral Commission for the Advancement of the Afro-Colombian Communities, with the purpose to evaluate the living standards of Afro-Colombians and submit recommendations to the GOC to design affirmative action-like public policies. At the request of the Vice-President's office and the Ministry of the Interior and Justice, USAID will assist the Commission in the implementation of its operational plan by supporting a series of outreach events, as well workshops with Afro-Colombian communities throughout the country. The Commission also requested USAID support for an assessment of Afro-Colombian living conditions to be conducted by Universidad de los Andes, one of the top universities in Colombia. USAID is considering this and other requests.

¶16. (U) USAID is also launching a new three year, USD 11 million biodiversity and indigenous groups preservation project in September 2008. It seeks to enhance governance, enforcement, and economic opportunities for in and around Colombia's national parks and protected areas, particularly indigenous communities, to create buffer zones to decrease illicit crop production.

Democratic Security

¶17. (U) The establishment of greater GOC territorial control and the paramilitary demobilization have created the space for civil

society and political parties to operate more openly than ever before. The GOC maintains a police presence in all 1099 municipalities for the first time in history. Increased security of roads and highways have allowed for greater freedom of movement for people and commerce. Murders fell from over 29,000 in 2002 to less than 17,000 in 2007, and kidnappings fell from over 2,800 a year to less than 600 during the same period. Local elections in October 2007 reflected the improved security with over 86,000 candidates participating. The leftist Polo Democratic Party (POA) won 1.2 million more votes than in 2003, and its candidate won the key Bogot mayoral race.

U.S. Hostages

¶18. (U) An audacious Colombian military operation led to the rescue of the three U.S. contractors and twelve Colombians held by the FARC. The three Americans were captured by the FARC in February 2003, and were the longest held U.S. hostages in the world at the time of their rescue. The GOC worked closely with us on hostage issues, and U.S. training of Colombian military personnel contributed to the operation's success. Despite this success, the FARC continues to hold hundreds of other hostages.

Labor Violence

¶19. (U) Labor violence and impunity remain major concerns, with the government making dramatic progress. Since 2002, labor union data shows that murders of unionists for political reasons or common crime have fallen more than 79 percent. A resident International labor organization (ILO) representative arrived in Colombia in January 2007 to help implement the tripartite agreement committing the GOC to provide USD 4 million to finance the ILO special technical cooperation program and to provide USD 1.5 million a year to the Prosecutor General's office. The Prosecutor General operates as an independent agency responsible for prosecuting cases of violence against trade unionists. The additional funding enabled the Prosecutor General to create a special SO7 crimes - which began operations in November 2006 - resolved 50 cases, leading to the conviction of 90 individuals. For 2008, the Prosecutor General has received an additional USD 40 million in GOC funds that has allowed it to add 1,072 new positions, including 175 prosecutors and 200 investigators.

¶20. (U) In addition to gains stemming from its democratic security policy, the GOC has taken specific steps to protect labor leaders and other vulnerable individuals. In 2008, the Ministry of Interior and Justice's USD 44 million protection program helped protect more than 9,444 human rights activists, journalists, politicians, and other threatened individuals, including 1,959 trade unionists. The murder rate for unionists is now lower than that for the general population.

Demobilization and Peace Process

¶21. (U) Incessant pressure from Colombian security operations makes demobilization an attractive alternative to the increasingly dire living conditions for terrorists. The "carrot-and-stick" approach employed by the GOC has cut FARC strength in nearly half since the beginning of the Uribe administration, dramatically improving security conditions across Colombia.

¶22. (SBU) To date, over 48,000 members of Colombia's illegal armed groups (IAGs) have demobilized or deserted ranks. Of those, over 32,000 were members of the United Self-Defense Group of Colombia (AUC) who demobilized between November 2003 and April 2006 under a peace agreement with the GOC. Another 16,000 have deserted from other illegal armed groups (about one-half from the FARC) between 2002 and 2008 as a result of a USG-assisted Ministry of Defense campaign promoting desertion. Of those, only 7,000 are currently active in the GOC Reintegration Program.

¶23. (SBU) The USG provides crucial assistance to the GOC to

implement desertion, demobilization, and reintegration programs. USAID provides technical assistance, institutional strengthening, and implementation support to four peace process components: 1) implementation of the legal framework for the DR process; 2) monitoring and verification of the DR Process; 3) reintegration of ex-combatants including children; and 4) reconciliation and victims' reparations. NAS supports the Ministry of Defense's individual Demobilization Program (DP) to directly and indirectly reduce the numbers, capabilities, and impunity of Colombian narcoterrorist organizations, particularly the FARC. It is almost completely nationalized as Colombia has dedicated USD 21.5 million in 2008 and the U.S. Embassy's Narcotics Affairs Section (NAS) only USD 500,000.

¶24. (SBU) The National Liberation Army (ELN) has negotiated with the Colombian government for over two years on a cease-fire agreement, but ELN infighting and FARC pressure have prevented a deal. The ELN kidnap civilians to fund operations, but its military capability is declining. The FARC has rebuffed GOC initiatives to engage in any meaningful peace talks.

NEIGHBORHOOD RELATIONS

¶25. (SBU) Colombia's commitment to free markets, democracy, and close relations with the United States are an exception to trends in region. Following Colombia's March 1 air-strike killing FARC senior leader Raul Reyes across the border in Ecuador, Venezuela joined Ecuador in breaking relations and deployed military forces to its border. Venezuela called off the buildup after reaching agreement Colombia March 7 to reduce tensions and reestablish commercial and diplomatic ties. Computers found in Raul Reyes' camp have information that appears to implicate Venezuelan and Ecuadorian government officials in providing support to the FARC, as well as a wider than thought international support network for the terrorist group. After months of strained relations, President Uribe and President Chavez met on July 11 and affirmed their commitment to improve ties, but tensions remain over Venezuela's ambiguous relations with the FARC. Ecuador and Colombia have yet to restore relations.

BROWNFIELD